

## S. 1870, VETERANS ENTREPRENEURIAL TRANSITION (VET) ACT OF 2015

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Veterans face a daunting mission when they separate from service and transition into civilian life – career development and the threat of unemployment. With nearly 550 service members transitioning from the military every day and around 1 million veterans settling into American communities in the next three to five years, we must find innovative ways to support veterans in their professional development. Some may pursue higher education but more often than not, veterans are looking to enter the workforce. In fact:

- Around 50% of veterans do not use their GI Bill benefit;
- Only 48% of veterans who do use their GI Bill benefit complete a program of study; and
- The Department of Defense spent nearly \$1.4 billion on unemployment for former military personnel in FY13.

Veterans are seeking more options and want the choice to use their GI Bill benefit to start their own business. Small businesses are the backbone of our economy. It's common sense to offer veterans a choice in accessing resources, training, and support to pursue the American dream to start a small business, create jobs, and generate growth in our economy. According to a recent survey conducted by a veteran startup incubator, The Bunker:

- An overwhelming 90% of the veterans who participated would like to use their GI Bill benefit toward starting a small business; and
- Nearly 95% would complete an entrepreneurial training program in order to utilize their GI Bill benefit toward starting a small business.

Veterans are 45% more likely to be self-employed than non-veterans, and \$1.2 trillion in sales is generated from 2.4 million veteran-owned businesses - which represent nearly 9% of all U.S. small businesses. After serving our country, veterans possess leadership skills and have a desire to continue their service by giving back to their communities as small business owners but often lack the capital to move forward.

The **Veterans Entrepreneurial Transition (VET) Act of 2015 (S. 1870)**, would allow veterans the opportunity to pursue their small business and entrepreneurial aspirations by giving them access to resources through the Small Business Administration and their GI Bill benefit. The key components of the VET Act are:

- The establishment of a 3-year pilot program overseen by the Administrator of the Small Business Administration (SBA), in consultation with the Advisory Committee on Veterans Business Affairs (15 U.S.C. 657b) and the Secretary of Veterans Affairs, that will enable up to 250 GI Bill benefit-eligible veterans who apply to the program to start a new business or purchase an existing business or franchise.
  - The pilot program includes a thorough application process and requires participation in an approved entrepreneurial training program, such as the SBA's Small Business Development Centers, SCORE, Veterans Business Outreach Program, Boots to Business, Syracuse's Institute for Veterans and Military Families Entrepreneurship Bootcamp for Veterans with Disabilities, and other SBA or the Department of Veterans Affairs (VA) approved training programs.
  - Through the entrepreneurial training program, veterans are required to develop a business plan to be approved by their training program advisor and the SBA's Associate Administrator for Veterans Business Development.
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- Once a veteran completes the entrepreneurial training and business plan development requirements, the veteran may receive their GI Bill benefit in the form of a grant in order to implement their business plan and start their small business enterprise.
- The grant may be provided through installments determined by the milestones a veteran may be required to meet within their approved business plan.
- The grant available to veterans participating in this pilot program may be equivalent to the GI Bill maximum amount of 36 months of educational assistance at the rate in effect for each veteran through the GI Bill benefit program.

The VET Act of 2015 is supported by: The Small Business Administration, One Vet at a Time, the National Guard Association of the United States, the American Legion, the Iraq Afghanistan Veterans of America, Veterans2Commerce, the Military Business Owners Association, The Bunker, The Kauffman Foundation and Association of Defense Communities.

